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Moore Holdings, LLC

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re:

MOORE HOLDINGS, LLC,

Debtor in Possession.

Chapter 11 Case No. 25-20053

DCN: UST-1

**DECLARATION OF MARK MOORE IN
SUPPORT OF OPPOSITION OF
MOTION OF THE UNITED STATES
TRUSTEE, PURSUANT TO 11 U.S.C. §
1112(b) AND FEDERAL RULES OF
BANKRUPTCY PROCEDURE 1017(f)
AND 9014, TO CONVERT OR DISMISS
CHAPTER 11 CASE**

Date: March 27, 2025
Time: 10:30 AM
Dept: E, Courtroom 33, 6th Floor

Hon. Judge Ronald H. Sargis

**DECLARATION OF MARK MOORE IN SUPPORT OF OPPOSITION OF MOTION OF
THE UNITED STATES TRUSTEE, PURSUANT TO 11 U.S.C. § 1112(b) AND FEDERAL
RULES OF BANKRUPTCY PROCEDURE 1017(f) AND 9014, TO CONVERT OR
DISMISS CHAPTER 11 CASE**

I, Mark Moore, declare as follows:

1. I am over eighteen years of age, and am the 26% partner of Moore Holdings, LLC.,
the debtor in possession (“Debtor”) for this Chapter 11 bankruptcy case.

1 2. Based on my role as a partner for Debtor, I have personal knowledge of each of the
2 facts set forth in this declaration and, if called to testify as a witness, I could and would competently
3 do so.

4 3. On January 7, 2025 (“Petition Date”), I caused a voluntary petition for relief under
5 Chapter 11 of the Bankruptcy Code to be filed on behalf of the Debtor. The primary reason for this
6 filing was to reorganize and protect the primary asset, a commercial building located at 2151
7 Professional Drive, Roseville, California (the “Real Property”), from imminent foreclosure, while
8 also stabilizing rental operations, and restructuring debts. Dkt. 1.

9 4. Debtor is engaged in renting out commercial units within the Real Property to
10 generate income. An appraisal indicates that the Real Property is valued at approximately
11 \$3,500,000, while the secured claims against it total about \$2,026,622.45. Dkt. 1

12 5. In 2024, the SBA 7(a) mortgage interest rate on Debtor’s loan rose from 3% to
13 10.5%, increasing our monthly obligations from \$12,000 to \$20,000. Debtor were able to meet the
14 \$12,000 monthly payments when occupancy was at least 50%. However, an economic downturn
15 caused tenant departures in 2024, dropping occupancy to around 40% and constraining Debtor’s
16 cash flow. Debtor’s six-month budget plan aims to lease vacant units and restore the necessary
17 income to fulfill mortgage obligations. **Exh. A.**

18 6. Presently, the Real Property is at roughly 40% occupancy. Debtor’s six-month
19 budget plan is designed to lease vacant suites, restore cash flow, and ultimately meet all
20 obligations. For instance, Debtor is finalizing a new lease agreement for suite 104, projected to
21 generate an additional \$2,199.65 per month starting this month and remedy any alleged “improper
22 usage” under 11 U.S.C. § 1112(b)(4)(D).

23 7. Debtor has negotiated a payment arrangement with InnerScope Hearing
24 Technologies, a tenant that owes over \$500,000 in rent arrears. Collecting on this delinquency will
25 bolster Debtor’s cash flow, enhance the feasibility of our reorganization, and address any concerns
26 of harm to one or more creditors under 11 U.S.C. § 1112(b)(4)(D). This arrangement reflected into
27 the Debtor’s amended six-month budget plan. **Exh. A.**

1 8. Debtor's ultimate objective is to confirm a plan of reorganization that repays all
2 creditors in full while preserving the Real Property's value. Sustaining high occupancy enables
3 existing businesses to continue operating uninterrupted, and Debtor's six-month plan anticipates
4 immediate tax and HMA payments while initiating payments to Creditor by August in the amount
5 of \$19,290.96.

6 9. To my knowledge, Debtor has substantially complied with the United States
7 Trustee's Chapter 11 guidelines. Upon receiving notice of any deficiencies, Debtor promptly
8 addressed and rectified them, demonstrating full commitment to meeting Chapter 11 requirements.

9 10. When Debtor discovered that the force-placed policy lacked adequate liability
10 coverage and did not fully insure the Real Property's value, I diligently searched for a suitable
11 policy despite the current insurance crisis in California. As soon as I secured comprehensive, non-
12 force placed coverage, through counsel, Debtor notified the UST. This policy now adequately
13 protects both the property and liability interests of Debtor. **Exh. B.**

14 11. On March 4, 2025, Debtor filed a Motion for Authority to Use Cash Collateral. Dkt.
15 35. Debtor plans to amend this motion, along with the six-month budget, to reflect new
16 arrangements with InnerScope, rental income from suite 104, and additional adequate protections
17 for creditors.

18 12. The delay in this case resulted from extraordinary conditions in California's
19 insurance market, amplified by extensive fires. Throughout this period, Debtor remained
20 transparent, communicating with the UST at the IDI interview and the § 341(a) meeting, ultimately
21 securing compliant coverage that safeguards both the estate and the public interest.

22 13. Continuing Debtor's operations requires immediate handling of financial and
23 management tasks, tenant oversight, building repairs and maintenance, janitorial and landscaping
24 needs and other administrative duties. Because Debtor has no formal employees, its members
25 (there are just three members) perform these vital functions. Accordingly, health insurance costs
26 and limited reimbursements are typical and necessary business expenses rather than
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1 mismanagement or enrichment. As it is seen in the 6-month budget plan, there will be no partner
2 distribution during the plan.

3 14. Any alleged spending was undertaken in good faith to fulfill essential business
4 needs, never to harm creditors. Since acquiring adequate insurance and improving cash flow,
5 Debtor remains firmly focused on preserving the estate's value and ensuring that all creditors
6 receive adequate protection.
7

8 I declare under penalty of perjury that the foregoing is true and correct. Executed this
9 13th day of March 2025, at Roseville, California.
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11 /s/ Mark Moore

12 Mark Moore

13 Managing Member for Moore Holdings, LLC
14 the Debtor in Possession
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